

Amended by-laws - effective as of March 17th 2009 (Ministerial approval).

## **TORONTO BOARDSAILING CLUB**

### BY-LAW NUMBER 1

**BE IT ENACTED** as a by-law of **Toronto Boardsailing Club** (the "Corporation") as follows:

#### CORPORATE SEAL

1. The seal, an impression whereof is stamped in the margin hereof, shall be the seal of the Corporation.

#### CONDITIONS OF MEMBERSHIP

2. Membership in the Corporation shall be limited to persons interested in furthering the objects of the Corporation and shall consist of anyone whose application for admission as a member has received the approval of the board of directors of the Corporation such approval conditional upon payment of the relevant membership fee.
3. There shall be the following classes of members in the Corporation:
  - (a) Storing Member is an individual or family of two (2) or more persons who stores a sailboard and/or related equipment at the premises of the Corporation; and
  - (b) Social Member is an individual or family of two (2) or more persons who does not store a sailboard and/or related equipment at the premises of the Corporation,

herein collectively called "Members". Membership in the Corporation is not transferable. Each current Member shall first be given the opportunity to renew its membership in the Corporation for the next year before applications for membership in the Corporation are accepted from the community at large.

4. Membership fees for each class of Members shall be as determined by resolution of the board of directors each year.
5. If any Member is in arrears of payment of his membership fee, the secretary of the Corporation shall make written demand of the Member. In the event such Member fails to pay such arrears in full, within thirty (30) days next following the date the Secretary makes such demand, the Secretary shall advise the board of directors of the failure by such Member to respond to the

demand. The board of directors in its sole discretion, may by resolution confirm cancellation of such Member's membership and direct the Secretary to remove the name of the Member from the records of the Corporation.

6. Any Member may withdraw from the Corporation by delivering to the Corporation a written resignation and lodging a copy of the same with the secretary of the Corporation.
  - 6.1 Should the board of directors have reasonable grounds to apprehend the conduct of any Member may be inconsistent with any rules or regulations or Corporation policies, adversely affect the safety of other Members or be inconsistent with laws applicable to use of premises on which activities of the Corporation are carried out or relating to the operation of recreational water craft, the board of directors, upon giving an opportunity to the affected Member to respond to the board, may:
    - a) warn the Member;
    - b) place the Member on probation for any period up to the end of that year's membership;
    - c) suspend some or all of the Member's privileges for any period up to the end of that year's membership ;
    - d) accept any future application by that Member for renewal of that Member's membership on conditions or probation; or
    - e) call a meeting of the Members with a recommendation that the Member be required to resign.
  - 6.2 The board of directors may give notice to the Members of any step taken under Article 6.1 of this By-Law
7. Any Member may be required to resign by a vote of three-quarters (3/4) of the Members at an annual meeting or special general meeting provided that any such Member shall be granted an opportunity to be heard at such meeting.

#### HEAD OFFICE

8. The head office of the Corporation shall be in the Municipality of Metropolitan Toronto, in the Province of Ontario.

#### BOARD OF DIRECTORS

9. The property and business of the Corporation shall be managed by a board of not less than four (4) and not more than fifteen (15) directors, a majority of whom shall constitute a quorum. Directors must be individuals eighteen (18) years of age with power under law to contract. All directors must be Members.
10. The applicants for incorporation shall become the first directors of the

Corporation whose term of office on the board of directors shall continue until their successors are elected.

11. At the first meeting of Members, the board of directors then elected shall replace the provisional directors named in the Letters Patent of the Corporation.
12. Directors shall be elected for a term of one (1) year by the Members at an annual meeting of Members.
13. The office of a director shall be automatically vacated:
  - (a) if a director shall resign his office by delivering a written resignation to the secretary of the Corporation;
  - (b) if a director shall cease to be a Member of the Corporation, for any reason;
  - (c) if he is found by a court to be of unsound mind;
  - (d) if he becomes bankrupt or suspends payment or compounds with his creditors;
  - (e) if at a special general meeting of Members a resolution is passed by two thirds (2/3) of the Members present at the meeting that he be removed from office;
  - (f) on death;

provided that if any vacancy shall occur for any reason in this paragraph contained, the board of directors by majority vote, may, by appointment, fill the vacancy with a Member of the Corporation.

14. Meetings of the board of directors may be held at any time and place to be determined by the directors provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each director. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. Meetings may be called by the president or any two (2) directors. There shall be at least one (1) meeting per year of the board of directors. No error or omission in giving notice of any meeting of the board of directors or any adjourned meeting of the board of directors of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each director is authorized to exercise one (1) vote.

If all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the

board or of a committee of the board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting.

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors.

15. The directors shall serve as such without remuneration and no director shall directly or indirectly receive any profit from his position as such; provided that a director may be paid reasonable expenses incurred by him in the performance of his duties as approved by the President and the Treasurer. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.
16. A retiring director shall remain in office until the dissolution or adjournment of the meeting at which his retirement is accepted and his successor is elected.
17. The board of directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the board of directors at the time of such appointment.
18. A reasonable remuneration of all officers, agents and employees and committee members shall be fixed by the board of directors by resolution.

Such resolution shall have force and effect only until the next meeting of Members when such resolution shall be confirmed by resolution of the Members, or in the absence of such confirmation by the Members, then the remuneration to such officers, agents or employees and committee members shall cease to be payable from the date of such meeting of Members.

#### INTEREST OF DIRECTORS IN CONTRACTS

19. (i) Any director of the Corporation who:
  - (a) is a party to a material contract or proposed material contract with the Corporation; or
  - (b) is a director or officer of or has a material interest in any body corporate or business firm who is a party to a material contract or proposed material contract with the Corporation;

shall disclose in writing or have entered in the minutes, the nature and extent of his interest in such material contract or proposed material contract with the Corporation.

- (ii) The disclosure required by (i) above, shall be made:
  - (a) at the meeting at which a proposed contract is first considered;
  - (b) if the director was not then interested in a proposed contract, at the first meeting after he becomes so interested; or
  - (c) if the director becomes interested after a contract is made at the first meeting held after the director becomes so interested.
- (iii) If a contract or a proposed contract is one that, in the ordinary course of carrying on the Corporation's non-pecuniary purpose or purposes, would not require approval by the directors or Members, a director shall disclose in writing the nature and extent of his interest at the first meeting held after the director becomes aware of the contract or proposed contract.
- (iv) A director referred to in sub-paragraph (i) above is liable to account for any profit made on the contract by the director or by a corporate entity or business firm in which the director has a material interest, unless:
  - (a) the director disclosed his interest in accordance with sub-paragraphs (ii), (iii) above or (vi) below;
  - (b) after such disclosure the contract was approved by the directors or Members; and
  - (c) the contract was reasonable and fair to the Corporation at the time it was approved.

Provided that a director who has made a declaration of his interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in sub-paragraph (v) below, if such prohibition applies, is not accountable to the Corporation or any of its Members or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.

- (v) A director referred to in sub-paragraph (i) above shall not vote on any resolution to approve the contract, unless the contract is

- (a) an arrangement by way of security for money lent to or obligations undertaken by him for the benefit of the Corporation; or
  - (b) one relating primarily to his remuneration as a director, officer or employee of the Corporation.
- (vi) For the purposes of this paragraph 19, a general notice to the directors by a director declaring that he is a director or officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.
- (vii) A contract is not void by reason only of the failure of a director to comply with the provisions of this paragraph 19 but the court may upon the application of the Corporation or a Member, set aside a contract in respect of which a director has failed to comply with the provisions of this paragraph 19, and the court may make any further order it thinks fit.

#### PROTECTION OF OFFICERS AND DIRECTORS

20. No director or officer of the Corporation shall be liable for any act, receipt, neglect or default of any other director, officer or employee or for any loss, damage or expense happening to the Corporation through any deficiency of title to any property acquired by the Corporation or for any deficiency of any security upon which any moneys of the Corporation shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any moneys, securities or effects shall be deposited or for any loss, conversion, or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune which may happen in the execution of the duties of his respective office or trust unless such occurrence is as a result of his own wilful neglect or default. The directors of the Corporation shall not be responsible for any contract or transaction entered into in the name of the Corporation, except such contracts or transactions that are submitted to and authorized by the directors. If any director or officer shall be employed by the Corporation or shall have an interest in a person who is employed by the Corporation, such director or officer shall not be disentitled from receiving remuneration from such employment.

#### INDEMNITIES TO DIRECTORS AND OTHERS

21. Every director or officer of the Corporation or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it and their heirs, executors and administrators, and estate

and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges and expenses which such director, officer or other person sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him, in or about the execution of the duties of his office or in respect of any such liability; and
- (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof, except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

#### EXECUTIVE AND OTHER COMMITTEES

- 22. There shall be an executive committee composed of not less than four (4) directors who shall be appointed by the board of directors. The executive committee shall exercise such powers as are authorized by the board of directors. Any executive committee member may be removed by a majority vote of the board of directors. Executive committee members shall receive no remuneration for serving as such, but are entitled to reasonable expenses incurred in the exercise of their duty.
- 23. Meetings of the executive committee shall be held at any time and place to be determined by the members of such committee provided that forty-eight (48) hours written notice of such meeting shall be given, other than by mail, to each member of such committee. Notice by mail shall be sent at least fourteen (14) days prior to the meeting. A majority of members of such committee shall constitute a quorum. No error or omission in giving notice of any meeting of the executive committee or any adjourned meeting of the executive committee of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any member of such committee may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.
- 24. The board of directors may appoint committees of the board. Any committee so appointed shall exercise such powers as are authorized by the board of directors. Any member of any committee of the board may be removed by a majority vote of the board of directors.

#### POWERS OF DIRECTORS

- 25. The directors of the Corporation may administer the affairs of the Corporation in

all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.

26. The directors shall have power to authorize expenditures on behalf of the Corporation *from* time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees.

The directors shall have the power to enter into a trust arrangement with a trust company for the purpose of creating a trust fund in which the capital and interest may be made available for the benefit of promoting the interests of the Corporation in accordance with such terms as the board of directors may prescribe.

27. The board of directors shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

#### OFFICERS

28. The officers of the Corporation shall be a president, vice-president, secretary and treasurer and any such other officers as the board of directors may by by-law determine. Any two offices may be held by the same person.
29. Officers including the president of the Corporation shall be appointed by resolution of the board of directors at the first meeting of the board of directors following the annual meeting of Members in which the directors are elected.
30. The officers of the Corporation shall hold office for one (1) year from the date of appointment or election or until their successors are elected or appointed in their stead. Officers shall be subject to removal by resolution of the board of directors at any time.

#### DUTIES OF OFFICERS

31. The president shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Corporation and of the board of directors. He shall have the general and active management of the affairs of the Corporation. He shall see that all *orders* and resolutions of the board of directors are carried into effect.
32. The vice-president shall, in the absence or disability of the president,

perform the duties and exercise the powers of the president and shall perform such other duties as shall from time to time be imposed upon him by the board of directors.

33. The treasurer shall have the custody of the funds and securities of the Corporation and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Corporation in the books belonging to the Corporation and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Corporation in such chartered bank or trust company, or, in the case of securities, in such registered dealer in securities as may be designated by the board of directors from time to time.

He shall disburse the funds of the Corporation as may be directed by proper authority taking proper vouchers for such disbursements, and shall render to the president and directors at the regular meeting of the board of directors, or whenever they may require it, an accounting of all the transactions and a statement of the financial position, of the Corporation. He shall also perform such other duties as may from time to time be directed by the board of directors. The treasurer shall, if required by the directors, be bonded for the sum of fifty thousand dollars (\$50,000).

34. The secretary may be empowered by the board of directors, upon resolution of the board of directors, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. He shall give or cause to be given notice of all meetings of the Members and of the board of directors, and shall perform such other duties as may be prescribed by the board of directors of president, under whose supervision he shall be including, without Limitation, keep or cause to be kept a book or set of books containing all information required by section 109(1Xa) to (d), inclusive, of the *Canada Corporations Act* (the "*Act*"). The secretary shall be custodian of the seal of the Corporation, which he shall deliver only when authorized by a resolution of the board of directors to do so and to such person or persons as may be named in the resolution.
35. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them.

#### EXECUTION OF DOCUMENTS

36. Contracts, documents or any instruments in writing requiring the signature of the Corporation, shall be signed by any two (2) officers or directors and all contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint an officer or

officers on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers appointed by resolution of the board of directors. All contracts, documents and instruments in writing having a consideration greater than one thousand dollars (\$1,000) must receive the prior approval of the board of directors.

### MEETINGS

37. The annual or any other special general meeting of the Members shall be held at the head office of the Corporation or at any place in Canada as the board of directors may determine and on such day as the said directors shall appoint. The Members may resolve that a particular meeting of Members be held outside Canada.
38. At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The Members may consider and transact any business either special or general at any meeting of the Members. The board of directors or the president or vice-president shall have power to call, at any time, a general meeting of the Members of the Corporation. The board of directors shall call a special general meeting of Members on written requisition of Members carrying not less than five percent (5%) of the voting rights. Twenty-one (21) Members present in person at a meeting will constitute a quorum.
39. Fourteen (14) days' written notice shall be given to each voting Member of any annual or special general meeting of Members. Such notice shall be given at the expense of the Corporation. Notice of any meeting where special business will be transacted should contain sufficient information to permit the Member to form a reasoned judgment on the decision to be taken. Notice of each meeting of Members must remind the Member that he has the right to vote by proxy.

Each individual Member present at a meeting shall have the right to exercise one (1) vote and each family Member present at a meeting shall have the right to exercise one (1) vote up to a maximum of two (2) votes per family. A Member may, by means of a written proxy, appoint a proxyholder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy. A proxyholder must be a Member of the Corporation.

40. Subject to the last sentence of this paragraph 40, the Members may pass any

resolution by return of a ballot mailed to each Member of record at the close of business on the day the ballot is mailed. Accompanying any such ballot shall be the same information as would be required if the resolution were to be passed at a meeting of Members. Any such resolution shall be determined by a majority of votes represented by the ballots returned to the secretary of the Corporation, unless a greater portion of votes is specified in respect of the resolution to be passed. Unless otherwise specifically provided, the resolution will be passed or rejected according to ballots received by the close of business on the forty-fifth (45th) day after the date the ballot was mailed, to be effective on such day or such other day as may be specified in the resolution. The auditors of the Corporation are entitled to receive notice of any ballot mailed to the Members. No vote of the Members shall be conducted by ballot as aforesaid on any matter concerning:

- (a) any amendment or repeal in whole or in part of the by-laws of the Corporation; or
  - (b) where the *Act* prescribes the holding of a meeting of Members.
41. No error or omission in giving notice of any annual or special general meeting or any adjourned meeting, whether annual or special general, of the Members of the Corporation shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any Member, director or officer for any meeting or otherwise, the address of the Member, director or officer shall be his last address recorded on the books of the Corporation.

#### MINUTES OF BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

42. The minutes of the board directors and the executive committee, once approved by the Board will be made available on request to the general membership of the Corporation and a copy of the minutes will be distributed to each of the directors of the Corporation.

#### VOTING OF MEMBERS

43. At all meetings of Members of the Corporation every question shall be determined by a majority of votes unless otherwise specifically provided by statute or by these by-laws.

#### FINANCIAL YEAR

44. Unless otherwise ordered by the board of directors the fiscal year-end of the Corporation shall be the last day of December.

## AMENDMENT OF BY-LAWS

45. The by-laws of the Corporation not embodied in the letters patent may be repealed or amended by by-law enacted by a majority of the directors at a meeting of the board of directors and sanctioned by an affirmative vote of at least two-thirds (2/3) of the Members at a meeting duly called for the purpose of considering the said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Consumer and Corporate Affairs has been obtained.

## AUDITOR

46. The Members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the Members at the next annual meeting provided that an auditor need not be a professional accountant but may not be a director, officer or employee of the Corporation or of an affiliated corporation, or associated with that director, officer or employee, unless one hundred percent (100%) of the Members have consented to such appointment, signified in writing. The auditor shall hold office until the next annual meeting, provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor, if any, shall be fixed by the board of directors.

## BOOKS AND RECORDS

47. The directors shall see that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

## RULES AND REGULATION

48. The board of directors may enact rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation and to the rights and obligations of all Members.
- 48.1 Should the board of directors enact any rule, regulation or Corporation policy relating to the rights and obligations of all Members, or to the operation of Corporation premises or to Corporation activities generally, such rule, regulation or policy shall have effect from its adoption by the board of directors to the next annual general meeting of the Members. At such annual general meeting, the board of directors shall present such rule, regulation or policy to the Members for the Members' consideration as to future continuation, amendment or repeal of such rule, regulation or policy.
- 48.2 The board of directors shall publish to the Members any rules regulations

or policies enacted under Article 48.

#### INTERPRETATION

49. In these by-laws and in all other by-laws of the Corporation hereafter passed, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.